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THE CONCORD TELEPHONE COMPANY

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November 30, 1993

Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554-1600

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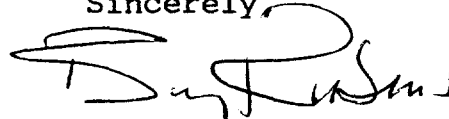
Re: In the Matter of

Implementation of Section 309(j)
of the Communications Act
Competitive Bidding
PP Docket No. 93-253

Dear Ms. Searcy:

Enclosed for filing are an original and eleven (11) copies of the Reply Comments of The Concord Telephone Company in these proceedings. If you have any questions, please contact the undersigned at (704) 788-0241.

Sincerely,



Barry R. Rubens
Manager - Regulatory Affairs
The Concord Telephone Company

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Manager - Regulatory Affairs
The Concord Telephone Company
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Ultimately, customers will be hurt if broad participation in the PCS marketplace is not achieved. First, it is likely that many applicants will only focus on big, lucrative markets, and service to small communities would be seriously delayed. This would contradict the Commission's goal of

universality. Second, there was substantial evidence presented earlier in GEN Docket No. 90-314, that small companies provide innovative answers to new opportunities. For example, there is evidence that small firms produce twice as many innovations per employee as large firms. We provided information regarding innovation and efficiency in small companies obtained from the SBA in our reply comments in GEN Docket No. 90-314 dated December 9, 1992. Limiting small company participation will deprive the customer of the benefits of this innovation.

Rural Telephone Companies

With respect to the definition of a rural telephone company a number of local exchange carriers presented support for rejecting the cable/telco cross-ownership definition of a "rural" telephone company -- serving communities with less than 2,500 inhabitants. Probably the most compelling argument for raising this threshold is the vast number of rural communities that would likely not be served if this very restrictive definition of a rural telephone company is used.

Concord supports the comments of various industry groups, such as OPASTCO and NCTA, to revise the definition of a rural telephone company; however, we believe that the definition proposed by these groups (e.g., any company with less than 10,000 access lines or a study area with no place of 10,000 population) meets the needs of their members, but fails to adequately encompass the needs of rural communities.

We support the definition of a rural telephone company recommended by PMN, which utilizes the Class A and Class B distinction provided in Part 32 of the FCC's Rules. PMN recommends that the FCC classify a rural telephone company as one that falls under \$100 million in annual revenues from regulated telecommunications operations (Class B company).

We would like to note that a number of companies recommended that the rural telephone company threshold be set at 50,000 access lines (e.g. CFW and others). We would like to point out that the difference between this definition (50,000 access lines) and the Class B definition appears to affect only seven telephone companies. As shown on the attachments to these reply comments, there are seven companies (Virgin Islands Telephone Corp., Lufkin-Conroe, Illinois Consolidated, Concord, Roseville, North State and ATU), that exceed 50,000 access lines, but have revenues of less than \$100 million.

It is our belief that the 50,000 access line threshold should be increased to include all Class B companies. We can not speak for the other seven companies this would

affect; however, Concord serves a 700 square mile area that encompasses many rural communities. Our number of access lines per square mile area in 1991 was 112 (Source: North Carolina Utilities Commission 1993 Report - Volume XXIV). As a point of reference our number of access lines per square mile area was much lower than several "small" companies in North Carolina. There are many examples of companies under 50,000 access lines that serve less dense areas than The Concord Telephone Company. Rural does not necessarily always correlate with low density; however, we believe that Concord's attributes are consistent with many companies with less than 50,000 access lines, and there is insufficient reason to exclude these seven companies based on an convenient cut-off point.

Small Businesses

Concord supports the comments made by the U.S. Small Business Administration (SBA) regarding the proposed definition of a small business. First, we concur with the SBA that the FCC's proposed small-business definition of less than \$ 6 million net worth and less than \$ 2 million in profit after tax "will not include businesses of sufficient size to survive, much less succeed, in the competitive wireless communications marketplace." (SBA comments)

We believe that the definition of a small business should be defined by the number of employees (SBA maximum size standard) for the company relative to other entities in the industry. The Concord Telephone Company has 280 employees. In the telecommunications industry Concord is a small business.

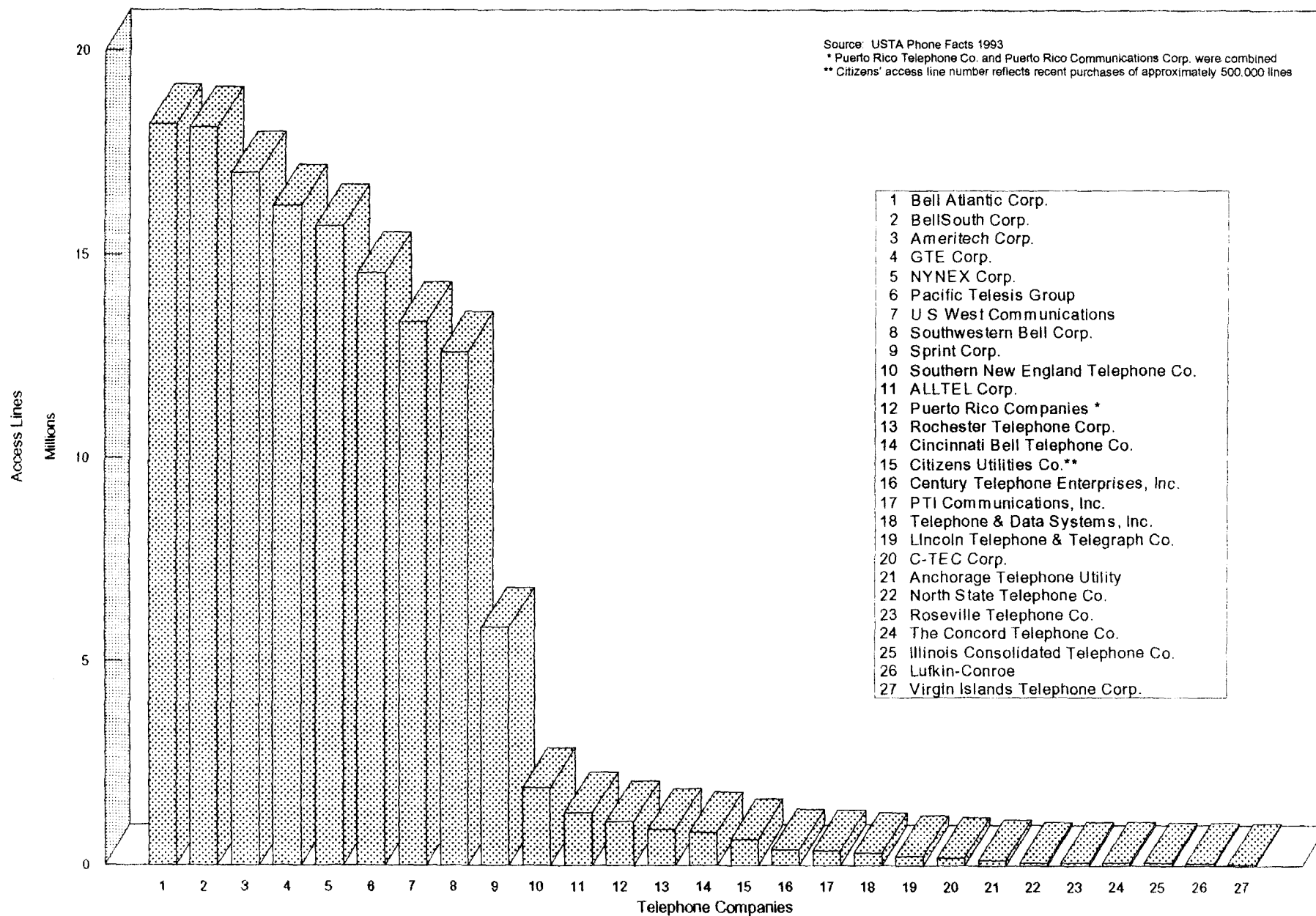
With respect to the SBA's proposal to classify a small business for this proceeding as one that, together with its affiliates, has revenues of less than \$ 40 million, a step in the right direction but still inadequate to ensure that participants will be financially viable. Note: the SWMRs will have to compete with at least two 30 MHz minimum MTA-based or national carriers, and meet whatever performance requirements are imposed by the FCC. If the definition of a small-business is based on financial size, we believe that it would be appropriate to use the \$ 100 million revenue threshold, mentioned above, as the definition for a small business.

Women and Minority Owned

Again, we believe that wide participation best promotes the immediate goals of this proceeding. As a result, we believe that simple control for a women or minority owned business is adequate regardless of the percentage of equity held. We believe that this recommendation will encourage greater participation. In addition, we believe any applicant that

bids as a women or minority owned business obtain some certification as to their status.

Local Exchange Carriers with 50,000 Access Lines or More



Local Exchange Carriers with 50,000 Access Lines or More

Operating Revenues

